

## AVVRG OPENS CREDIT PROGRAM IN BA RIA

By Kathryn Gow, 28 Feb 2000

I am pleased to announce that after 2 years of preparation and much soul searching on my part, the Ba Ria Savings and Credit Scheme for the poor was launched on the 15th February, 2000 by the Women's union of Ba Ria. Twenty women attended the intensive training program in February conducted by Mrs Le Lan of Tau Yeu Mai (Hanoi) fame, assisted by Mr. Hoai from Hanoi. I sat in on the course and it was excellent. Fifteen of the graduates will proceed to training in the field in Soc Trang in early March.

The very poor people in Phuoc Hung Ward, the Long Phuoc Commune and the Hoa Long Commune will be the first beneficiaries of the scheme conducted through the AWRG. In 1995 Paul Murphy sent Barbara Crawford and I to Ba Ria to do a needs analysis well that was a long time ago, but we went to these communes and they were poor then and nothing much has changed in those communes today. We were unable to help them then, so it is gratifying to see that our earlier work there was not wasted in time or effort.

To date the project has received funding from the Queensland University of Technology, Rotary Camberwell and Rotary International. Further funding is being sought from the Grameen Trust and a number of international donors. I was very disappointed to find out that the likelihood of the Grameen Trust giving the hoped for \$US50,000 start up bank funds was no longer high because of a decrease of funding to their operations.

Thus 200 people in the Phuoc Hung ward will receive loans totaling \$10,000 in the next 6 months and when further donor money becomes available, additional loans will be disbursed in Long Phuoc and Hoa Long. A large sum of money is required for establishing this kind of project, as it is just like starting up a small business operation with no equipment and no capital. Not being able to speak the language further complicates what one would think would be a simple operation setting up a credit union! Telestra in Ho Chi Minh City donated a 486 IBM computer. A big thanks to Telestra for this as without the training program would not have been completed on time and no accounting and auditing could take place satisfactorily. I (Rotary funds) bought a printer in Ba Ria to enable the monitoring, auditing and accounting to occur on a regular basis.

A fax machine is also being pursued as the quotes were for \$US1,380 and there is no money for this. If you have a fax machine that would be suitable for this office (separate sheet printing) please let me know as soon as possible as no fax and no internet means that communication is slow. The budget has had to be totally reconstructed as I had to hive off \$10000 out of it for the loan principle; it means that the training and equipment needs suffer until we get further funding.

To commence with, we will adopt a Commune Bank trust model which is almost identical to the Grameen bank Model except we can't afford weekly meetings, (we will have fortnightly) and we are employing staff from inside the communes and not outside, as in Grameen. There will be 5 women to each group and about 39 groups all up and these form from 4-6 centers

The name of the Program staff are as follows:

### Program

**Program Director:** *Mrs Do Thi Ngoc*

**Program Assistant Director:** *Miss Bui Thi Nham and Miss Tam*

### **Phuoc Hung Ward**

**Chief of Commune Board:** *Mrs Ngo Thi Son*

**Commune Cashier:** *Mrs Do Thi Qui*

**Commune Accountant:** *Mrs Nguyen Thi Thoi*

As the program extends to the other to communes, then another 6 staff will be employed.

The photos are of a house and family in the Phouc Hung Ward which are the first to benefit from the project. As the project develops we will publish stories about these women and their small businesses. It takes about 3-5 years of continuous loans for families to climb out of poverty. We are hoping that the program will be sustainable within 3 years, as that is the expectation of such commune banks.



**Photo of Lady benefiting from project**

Prior to this project each of these three communes have had a healthy savings program and this should stand them in good stead with this new credit project.

Each eligible woman (that is, her family has to have an income under the national poverty line and have a substandard house) will be able to apply for a General Loan of 500000 dong (about \$AU50) and she has to repay this over 12 months; then she will be eligible for seasonal loans of 40000 dong which has to be repaid over 3 months. If funds are available then she can ask for a second general purpose loan of 1000000 dong (about \$AU100) and another up to 1500000 dong (about \$AU150). The main purpose of the general loan is to develop businesses or increase agriculture output.

The Vision Mrs Ngoc, the Program Director, has of this project is that it will be stable and sustainable over 3-5 years, no small feat for those of us involved.

Immediate needs: fax machine and external modem (not too slow)- if you have one, please see if you can get it to me before the beginning of May. If you can't find me, Barbara or Jan will take charge of it.